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The

LIVESTOCK and MEAT SITUATION

LMS-103



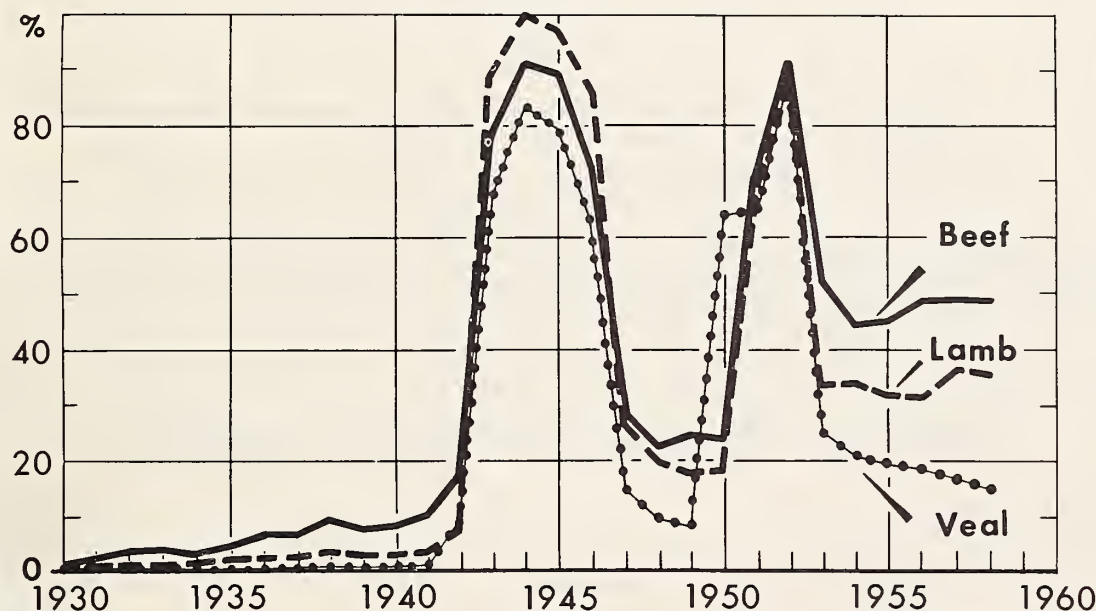
JULY 1959
FOR RELEASE
JULY 7, P. M.

In this issue:
Federal Grading of Meat
Retail Price and Value
for All Beef



FRESH OR FROZEN BEEF, VEAL AND LAMB FEDERALLY GRADED

Percentage of Total Slaughter



U. S. DEPARTMENT OF AGRICULTURE

NEG. 6300-59(6) AGRICULTURAL MARKETING SERVICE

Federal grading is offered as a voluntary service on a fee basis for beef, veal, and lamb. It was compulsory only during World War II and the Korean conflict. After each of those periods the volume of grading declined, yet remained higher than

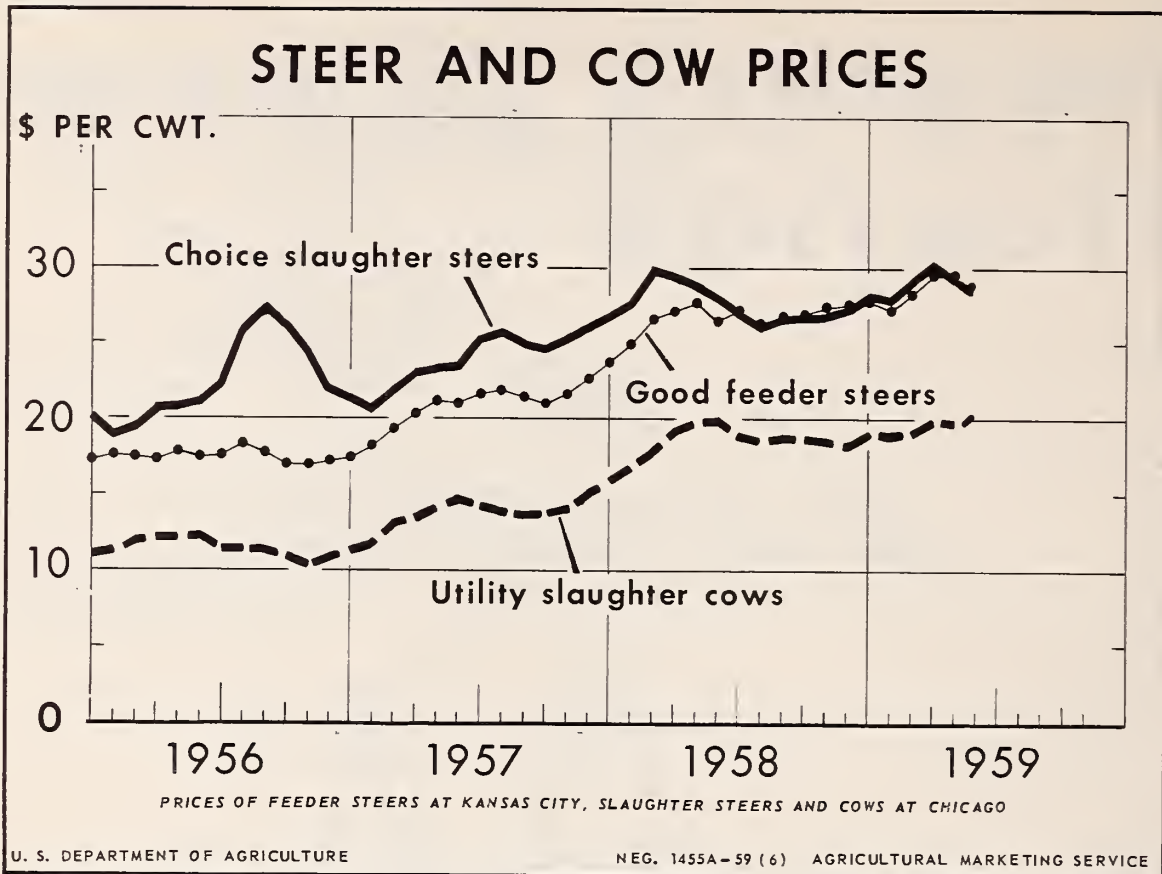
before.

In 1958, about half of all beef produced, more than a third of lamb, and a seventh of veal was federally graded. Of meat sold fresh the proportion graded is higher. Grading is largely confined to fresh meat.

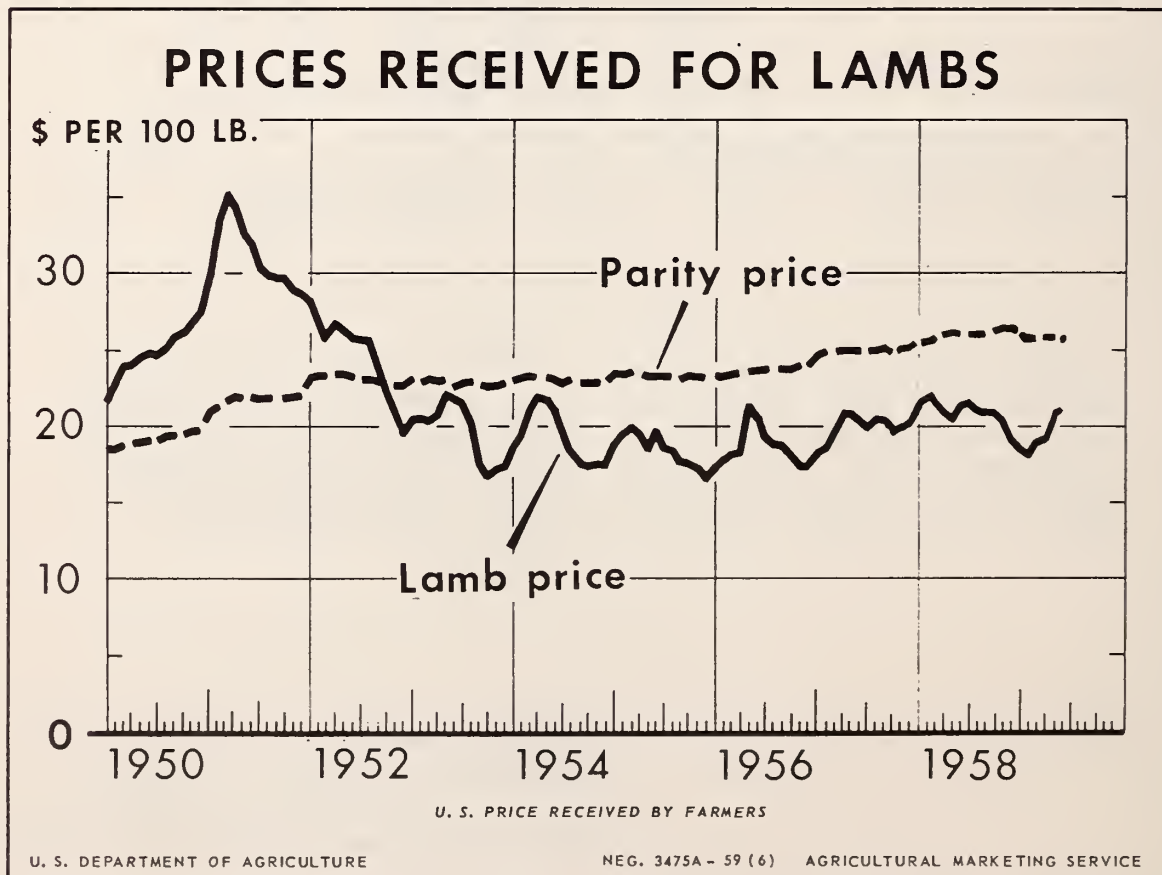
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AGRICULTURAL MARKETING SERVICE

UNITED STATES DEPARTMENT OF AGRICULTURE



The uptrend in cattle prices has about leveled out after 3 years of increase. Typical of this phase of the cycle, the gain in feeder prices has been greater than for slaughter classes. Feeder prices are currently at a 7-year high.



In contrast, lamb prices have gained only slightly from 1956 levels. However, they have recovered their late-1958 loss, and in June were equal to a year before.

However, it is doubtful that the turn-about in slaughter volume during the next year will be great enough to retard by much the rate at which cattle herds are being built up. Unless the present rate — estimated at a 4 to 5 million addition per year — is reduced soon, a very large increase in cattle slaughter and very sharp reduction in cattle prices can be expected early in the 1960's.

Lamb slaughter in June was below the very large slaughter in June 1958. Slaughter the rest of 1959 is expected to be as large as a year earlier, or a little larger. Prices have been erratic this year, but for the rest of the year they seem likely to average close to a year earlier.

REVIEW AND OUTLOOK

Hog Production Moving Upward

A 1959 pig crop of 104.5 million is now in prospect. Ten percent larger than the 1958 crop, it would exceed all postwar crops. It would be smaller than the wartime crops of 1942 and 1943, when a substantial part of pork output was shipped to allied powers (table 1).

The 1959 crop will provide more pork per person in the next 12 months than in any year since early in the 1950's.

Twelve percent more spring pigs were saved this year than last and the prospective fall crop is up 9 percent. The fall pig estimate is based on farmers' intentions to have 8 percent more sows to farrow, with a slight uptrend assumed in size of litter.

The intentions for more 1959 fall farrowings follow a sizable increase in the fall crop of 1958. If carried out, farrowings this fall will be 25 percent greater than those of two years ago. The number of pigs would be up 27 percent.

Hog Prices Down; Summer Advance Dampened

Prices of hogs in 1959 have shown the effects of the larger production since last fall. Prices declined until March, then leveled out. In late June they had not yet shown any signs of a summer advance and were about \$7.00 per 100 pounds below a year before.

Whenever hog production is on an uptrend, seasonal price increases are less than normal. Nevertheless, prices seldom fail to advance by mid-summer. Some increase is yet possible this summer, but it will be small.

Table 1.—Number of pigs saved in spring, fall and total pig crops, 1941 to date

Year	Spring	Fall	Total	Year	Spring	Fall	Total
	1,000	1,000	1,000		1,000	1,000	1,000
	<u>head</u>	<u>head</u>	<u>head</u>		<u>head</u>	<u>head</u>	<u>head</u>
1941	49,368	35,584	84,952	1951	61,298	39,288	100,586
1942	61,093	43,810	104,903	1952	55,135	33,694	88,829
1943	74,223	47,584	121,807	1953	47,940	29,974	77,914
1944	55,754	30,905	86,659	1954	52,852	33,978	86,830
1945	52,216	34,611	86,827	1955	57,690	38,029	95,719
1946	52,191	30,503	82,694	1956	53,186	36,386	89,572
1947	52,199	31,090	83,289	1957	51,812	36,148	87,960
1948	50,468	33,358	83,826	1958	52,336	42,370	94,706
1949	56,969	36,275	93,244	1959	58,494	<u>1/46,000</u>	104,494
1950	57,958	39,423	97,381				

1/ Average number of pigs per litter with allowance for trend used to compute indicated number of fall pigs.

One of the factors blocking a summer price advance is accidental: a heat wave in June reduced demand for meat. More important factors include the following: (1) Hog slaughter remained large until late in May. In some years, as 1956 and 1958, it began its seasonal decrease early in that month. (2) Slaughter of spring pigs will begin early this year. This will result in less time than usual for moving out stocks of pork from cold storage. These stocks on June 1 were 53 percent above last year's exceptionally low level. Although not so large compared with earlier years — they were less than on the same date of any year between 1948 and 1956 — they were large enough to have a price-restraining effect in view of the early start expected for slaughter of spring crop hogs.

Early slaughter of spring pigs is indicated by data on farrowings by months. December-February farrowings were 38.5 percent of total spring farrowings this year, compared with 37.0 percent last year (table 2). January farrowings especially increased this year. However, this year's shift to earlier farrowings was less than had occurred the last several years. It was confined to the Corn Belt, as data in table 3 indicate. While December-February farrowings as a percent of the spring total rose from 33.0 percent last year to 35.0 percent this year in the Corn Belt, they dropped from 50.6 percent to 49.4 outside the Corn Belt.

Table 2.—Number of sows farrowing and percentage distribution by months, spring season, 1953 to date

Sows farrowing, spring

Year	Dec. 1/ 1,000 head	Jan. 1,000 head	Feb. 1,000 head	Mar. 1,000 head	Apr. 1,000 head	May 1,000 head	Total 1,000 head
1953	213	415	998	2,028	2,160	1,231	7,045
1954	255	480	1,313	2,288	2,104	1,229	7,669
1955	307	674	1,520	2,312	2,255	1,291	8,359
1956	399	727	1,419	2,154	1,919	1,047	7,665
1957	391	709	1,325	2,008	1,827	1,017	7,277
1958	425	813	1,512	1,904	1,730	1,044	7,428
1959	564	1,031	1,587	2,113	1,898	1,073	8,266
Percentage distribution of spring farrowings							
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1953	3.0	5.9	14.2	28.8	30.6	17.5	100.0
1954	3.3	6.3	17.1	29.9	27.4	16.0	100.0
1955	3.7	8.1	18.2	27.6	27.0	15.4	100.0
1956	5.2	9.5	18.5	28.1	25.0	13.7	100.0
1957	5.4	9.7	18.2	27.6	25.1	14.0	100.0
1958	5.7	10.9	20.4	25.6	23.3	14.1	100.0
1959	6.8	12.5	19.2	25.5	23.0	13.0	100.0

1/ December of preceding year.

Table 3.—Distribution of farrowings of spring pigs into early and late season, by regions, 1959 compared with 1958

Region	Percentage of total			
	December-February		March-May	
	1959	1958	1959	1958
	Percent	Percent	Percent	Percent
North Central States	35.0	33.0	65.1	67.0
All other States	49.4	50.6	50.6	49.4
United States	38.5	37.0	61.5	63.0

Table 4 .--Number of sows farrowing, pigs saved and pigs saved per litter, spring and fall pig crops, by regions, 1955 to date

SPRING PIG CROP

Year	North	North Central		South	South	Western	United
	Atlantic	East	West	Atlantic	Central		States
	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>
Sows farrowing:	:	:	:	:	:	:	:
1955	: 139	2,404	4,247	618	780	171	8,359
1956	: 138	2,317	3,572	645	834	159	7,665
1957	: 119	2,207	3,371	645	787	148	7,277
1958	: 109	2,171	3,556	660	769	163	7,428
1959 1/	: 118	2,346	3,921	759	934	188	8,266
Pigs saved:	:	:	:	:	:	:	:
1955	: 937	16,678	29,630	4,097	5,220	1,128	57,690
1956	: 909	16,125	25,279	4,287	5,545	1,041	53,186
1957	: 824	15,746	24,485	4,385	5,353	1,019	51,812
1958	: 750	15,347	25,532	4,408	5,176	1,123	52,336
1959 1/	: 823	16,669	28,046	5,254	6,395	1,307	58,494
	: <u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
Pigs saved per litter:	:	:	:	:	:	:	:
1955	: 6.68	6.94	6.98	6.63	6.69	6.63	6.90
1956	: 6.58	6.96	7.08	6.65	6.65	6.54	6.94
1957	: 6.88	7.13	7.26	6.80	6.80	6.86	7.12
1958	: 6.86	7.07	7.18	6.68	6.73	6.92	7.05
1959 1/	: 6.93	7.11	7.15	6.92	6.85	6.93	7.08

FALL PIG CROP

	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>	<u>1,000 head</u>
Sows farrowing:	:	:	:	:	:	:	:
1955	: 119	1,877	2,225	498	732	135	5,586
1956	: 108	1,785	1,984	504	694	119	5,194
1957	: 98	1,735	2,005	507	655	124	5,124
1958	: 100	1,933	2,480	533	725	141	5,912
1959 2/	: 106	2,016	2,703	585	828	156	6,394
Pigs saved:	:	:	:	:	:	:	:
1955	: 809	12,886	15,199	3,310	4,922	903	38,029
1956	: 738	12,625	14,118	3,417	4,687	801	36,386
1957	: 669	12,344	14,466	3,400	4,424	845	36,148
1958	: 690	14,028	17,883	3,737	5,045	987	42,370
1959	:	:	:	:	:	:	2/46,000
	: <u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
Pigs saved per litter:	:	:	:	:	:	:	:
1955	: 6.79	6.87	6.83	6.65	6.72	6.66	6.81
1956	: 6.80	7.07	7.12	6.79	6.75	6.71	7.00
1957	: 6.81	7.11	7.21	6.71	6.75	6.84	7.06
1958	: 6.87	7.26	7.21	7.02	6.96	6.96	7.17
1959	:	:	:	:	:	:	2/7.20

1/ Preliminary. 2/ Number indicated to farrow from intentions as of June 1, 1959. Average number of pigs per litter with allowance for trend used to calculate indicated number of pigs saved.

Early farrowings normally result in earlier marketings than usual. There will be a tendency in that direction this year because fear of price declines will cause many producers to market as early as possible. This would be the opposite of last year, when marketings were generally late relative to dates of farrowing.

While the out-movement of pork stocks and early marketing of spring pigs will restrain any summer advance in price, they will also moderate the fall decline. Prices will decline substantially this fall, but no more than usual and perhaps less. Prices this fall will be the lowest since early in 1956, but are not expected to drop as low as in the fall of 1955.

Dull Hog Market
Likely in Winter

If 9 percent more pigs are saved this fall, prices next winter and spring will be lower than in the same seasons this year.

Prospects are for a dull market then, with narrow profits to producers and little encouragement for further increase in production.

This is the prospect even though one feature of the market last winter, namely, an overlap of previous spring-crop and new fall-crop marketings, is not likely to be repeated. Because many hogs from the 1958 spring crop were marketed late at heavy weight, commercial slaughter last February was 24 percent above February 1958, and pork output per head was $4\frac{1}{2}$ pounds higher. Such a situation is not expected next winter, moderating the further reduction in price compared with a year before.

Cyclical Price Low
for Hogs in the Fall
of 1960

While prices of hogs will be rather low during all of 1960, the lowest point will probably come in the fall. If hog production continues to expand next spring, the price consequences the following fall could be serious.

Already this summer the incentive toward further expansion in hogs is beginning to diminish. The hog-corn ratio is back to near its long term average level. A year ago it was exceptionally high. Yet it is by no means certain that the expansion will be entirely checked by next spring. Cyclical increases in hog production, as in cattle, often carry forward further than indicated by current price ratios.

The size of 1960 spring farrowings, and the prices resulting in the fall, will be the critical point in the current hog cycle.

Cattle Prices Down
from Peak; Steadiness
in Prospect

Prices of both fed cattle and stocker-feeders in late June were a little below their spring peaks. Prices of Choice steers were \$2.00 per 100 pounds less than at their high point in April, and prices of stockers and feeders had slipped slightly from their April-May high. All prices were at least equal to a year before, and prices of feeder calves were as much as \$4.00 per 100 pounds higher.

These small declines from their spring peak are primarily seasonal. A spring decrease in prices of fed cattle has been considered normal, although fed cattle prices no longer exhibit as regular a seasonal pattern as they once did. Marketings of fed cattle have been steady; receipts of steers at seven markets were almost unchanged at around 350,000 monthly from March through May. The June total probably was a little more. Prices of feeder cattle and calves normally decrease from spring to fall.

Softening of prices this summer could mean that the 3-year uptrend in cattle prices is approaching its end. Most of the increase had been completed by late in 1958 or early 1959. No net further gain has been in evidence since.

Relative stability is likely to continue the rest of this year. Marketings of fed steers and heifers will remain large. However, cow slaughter will continue small, as retention of breeding stock for expansion of foundation herds is in full swing and will not slow greatly this year. It is too soon to expect a major cyclical change in slaughter or price.

Data on slaughter by classes under Federal inspection illustrate the character of slaughter this year. In January-May, steer slaughter was down a fraction of one percent. Heifer slaughter was 14 percent larger. But cow slaughter was 22 percent smaller. Calf slaughter, also low, was 18 percent less than last year.

While the picture given by these data is essentially correct, a change in reporting instructions has resulted in packers' reporting slaughter of somewhat more heifers and slightly fewer steers than would have been true if procedures had not changed. Thus the 14 percent increase in heifer slaughter as reported overstates the actual change.

It is possible that slaughter of fed cattle will be reduced enough in late summer and fall that their prices will increase moderately. The quarterly report of cattle on feed, due for release July 16, will provide evidence on the forthcoming supply. From it the probable price trend to be expected will become clearer.

Prices of feeder cattle also may prove relatively stable, but some seasonal decline is more likely than an increase. Future condition of ranges and pastures will influence their trend.

Table 5.--Price per 100 pounds for selected classes of cattle,
by months, 1959 compared with 1958

Month	:Choice slaughter:		Good feeder		:Utility slaughter:		Utility slaughter	
	steers at		steers at		steers at		cows at	
	Chicago		Kansas City		Chicago		Chicago	
	1/		2/		1/			
	1959	1958	1959	1958	1959	1958	1959	1958
	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.	Dol.
January	28.13	26.82	27.69	23.81	23.21	19.01	19.11	15.88
February	27.85	27.54	27.13	25.00	22.10	20.24	18.86	16.80
March	29.11	29.90	28.34	26.66	21.93	22.26	19.08	17.85
April	30.33	29.37	29.60	27.05	23.90	21.92	19.97	19.20
May	29.34	28.83	29.69	27.62	23.77	23.00	19.78	19.82
June 3/	28.52	28.07	28.72	26.52	23.35	22.77	20.08	19.94
July		26.99		27.00		22.80		18.89
August		26.11		26.13		21.98		18.52
September		26.70		26.72		22.48		18.74
October		26.67		26.77		22.58		18.66
November		26.77		27.25		28.50		18.50
December		27.19		27.45		22.45		18.15
Average		27.42		26.50		21.91		18.41

1/ Sold out of first hands. 2/ 500-800 pounds. 3/ 4-week average.

Compiled from Market News, Livestock Division

Cattle Numbers Build-Up

Points to Future Price Break

Although slaughter of cattle may turn upward in the next year there is as yet little prospect that the increase will be great enough to retard the current rate of expansion of cattle herds.

Unless the rate is slowed down, cattle numbers and slaughter will become so large within a few years as to bring a major, severe, cyclical decrease in cattle prices.

The present build-up in herds is at an annual rate of 4 to 5 million head. This is at least twice the rate needed to keep pace with growth of population. Unchecked, it would definitely lead to overexpansion.

(The longer run cattle outlook was reviewed more completely in the May 1959 issue of this Situation.)

Lamb Slaughter Off,
Prices Strengthen

Slaughter of sheep and lambs decreased during May and in early June was sharply below a year earlier. Prices of spring lambs strengthened. Prices of shorn lambs, however, proved variable.

Slaughter decreased a good deal in the Texas area between mid-May and mid-June. Last year Texas slaughter remained large until early June. The only appreciable increase in slaughter over a year ago has been in the Pacific Northwest.

Lamb slaughter in May and June is always made up of varied kinds of lambs from diverse areas. For that reason its volume is highly variable from year to year. In the summer and fall, more and more of all lambs marketed are middle to late-crop lambs from major producing areas of the North and West. Because the inventory of ewes was larger this year, more lambs are likely to be available. As ranges probably will be no better than last year and may be poorer, while feeder buyers will be wary following their unprofitable season last year, the market for feeder lambs may be weaker than last fall. Prices of lambs in general probably will average slightly below last year until late in the year. There is no reason to expect prices to decline in October-December this year as they did last year.

Ranges Improved but
Not Equal to 1958

In much of the West, range feed conditions were much better in late spring than earlier. The drouth area in the Northern Plains especially improved. Yet subsoil reserves remain low there, and dryness persists in most of Arizona, California, Nevada, and Utah. Prospects are for summer grazing, as an average of the West as a whole, to be significantly below the exceptionally good grazing of last year. For the West as a whole, averaging dry and favorable areas, 1959 grazing conditions promise to be about normal.

1958 Wool Payment Rate
70.3 Percent of Sales

Sheep and lamb producers will soon receive incentive payments on shorn wool and unshorn lambs marketed between April 1, 1958 and March 31, 1959. The shorn wool incentive rate is 70.3 percent, the amount which brings the national average return for wool from the 36.4 cents per pound received by growers up to the 62 cent incentive level. To determine the wool incentive payment for individual producers, the rate of 70.3 percent is applied to the dollar return each producer received for wool after paying marketing charges. The payment rate on unshorn lambs will be \$1.02 per 100 pounds of liveweight sales.

No payments will be made on mohair sold during the 1958 marketing year as the average price of 72.3 cents per pound received by producers was above the 70 cent incentive level.

The wool program and incentive levels for the current marketing year are the same as for the 1958 season.

Canadian Pork Production Up;
Hog Prices at Support Level

An upswing in Canadian hog production which began in early 1958 has had several results: a sharp increase in slaughter, larger pork exports, a gain in pork consumption, lower prices, and in addition sizable government purchases of pork under the price stabilization program in that country.

Carcass gradings of hogs the first 4 months of this year were 48 percent larger than a year earlier. Production will continue above a year earlier and marketings this summer are expected to be up about 20 percent over last summer. A 4 percent gain is forecast for October 1959-March 1960. Shipments of pork to the U. S. rose 16 percent from a year before in the first quarter, to about 14 million pounds. They are expected to continue large this summer. Canadian pork consumption during this period was up 30 percent from January-March 1958.

Hog prices in Canada are currently near the support level. By mid-June the Canadian Agricultural Stabilization Board's stocks of pork, bought to support prices, totaled about 70 million pounds, a record high. The present support of \$25.00 per 100 pounds dressed weight, Grade A carcasses at Toronto will be lowered to \$23.65, the legal minimum, next October. Moreover, the Minister of Agriculture has announced that a deficiency payment -- a system of direct payments to producers -- would replace the pork purchases as a means of carrying out support, as soon after that date as feasible.

At an assumed dressing yield of 75 percent, the forthcoming \$23.65 support would be the equivalent of \$17.74 live for the top grade. For lower grades the support is lower.

Import Restrictions on Cured Meats Tightened

To provide an additional safeguard against possible introduction of dangerous communicable livestock diseases, USDA now requires cured meat imported from countries where foot-and-mouth disease occurs to be "fully dried in such a manner that it may be stored and handled without refrigeration." Recent experiments of the Department found live virus in significant concentration in the lymph nodes intermingled with the muscle fibers of meat cured in the same manner as that which is imported. These findings indicated the need for tightening restrictions on such imports.

The U. S. prohibits imports of live animals or fresh and frozen meats from countries where foot-and-mouth or rinderpest is known to exist. Imports from those areas have been confined to canned and cooked meats and certain cured meat. The new restriction applies to this last class and will have the effect of excluding imports of meats such as salted boneless beef that is not fully dried.

During the past two years, as domestic production of processing beef declined, imports of that type as well as of all beef have increased sharply. The gain in the Census category of "other meat, canned, prepared or processed" was from 6 million pounds in 1956 to 141 million last year. Most of the increase in this class was salted boneless beef shipped in casks under refrigeration. Undoubtedly some of this beef, now under prohibition, may be converted to canned, cooked or fully cured. However, such products are not suitable substitutes for use in processing, and the new restriction will reduce imports from foot-and-mouth disease countries.

Suspension of Federal Grading for Lamb Being Considered

The USDA is considering the possible suspension of Federal grading of lamb and mutton carcasses on August 1. Notice that the Department was considering such action was made on May 25 and interested persons had until July 6 to submit written statements on the proposal.

Current official standards provide for 5 grades--Prime, Choice, Good, Utility and Cull--covering lamb, yearling and mutton carcasses. The proponents of Federal grades contend that this voluntary service of grading and grade marking carcasses is an aid to efficient and orderly marketing. Some feeder and packer groups express their belief that Federal grades do not accurately reflect consumer preferences and are a detriment to merchandising lamb.

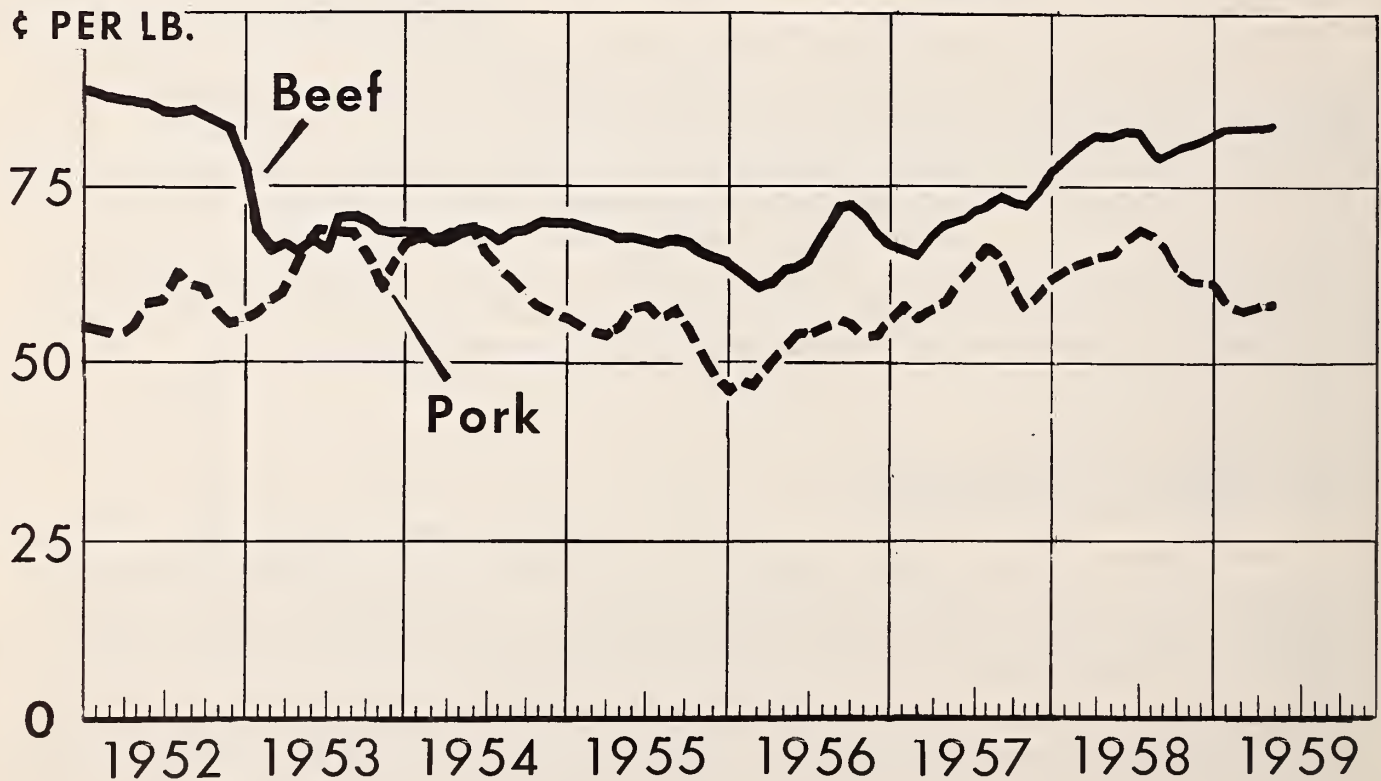
THE OUTLOOK FOR MEAT AT RETAIL

Although total meat supplies per person this year will remain considerably below their high point in 1956, they are up enough to arrest the 3-year uptrend in prices to consumers. Prices of pork already are down, and prices of beef have not advanced further in recent months.

Pork prices drifted downward rather steadily from their seasonal high in the summer of last year until early this spring. Contrary to their usual behavior, as late as the end of June they had failed to advance seasonally. During May pork prices averaged $7\frac{1}{2}$ cents a pound less than in May last year, and the difference doubtless was wider in June.

Prices of hams have slipped steadily, and by May were the lowest since November 1957. Prices of pork chops and bacon, also on a decline until March, have risen a little since.

RETAIL PRICES OF PORK AND CHOICE BEEF



Prices of pork may strengthen a bit yet this summer but will decline seasonally this fall. Hog production is on a cyclical upswing. Twelve percent more pigs were saved this spring than in the spring of 1958, and producers' intentions are for 8 percent more sows to farrow this fall than last. Consequently, pork supplies will increase further and pork will be a "good buy" for at least the next 12 months.

Prices of beef in May were only slightly above May last year. No changes of any size are in view for the rest of this year. Production of fed beef will continue large, but continued retention of cows for building up breeding herds will limit the supply of lower grade beef, and total beef.

Much of lower grade beef is used for processing and of that sold fresh a large part is converted to hamburger. Foreign sources supplement domestic supplies of processing beef. Imports of processing beef from countries where foot-and-mouth disease exists were cut off recently due to danger of importing live microorganisms of foot-and-mouth disease (see page 13). Most beef affected by the ruling comes from Argentina, Brazil, Uruguay and Paraguay.

Supplies of lamb were reduced in June, the month marketings shift from old-crop to new-crop lambs. Much of the supply in that month is of the first new-crop "spring" lambs, which are marketed light and are priced higher than old-crop lambs. As more ewes are on hand this year it is likely that more lambs are being raised. The supply of lamb the rest of this summer and this fall may at least equal a year before. Prices of lamb cuts at retail will be lower than the price of spring lamb in May, and probably no higher than a year earlier.

OUTLOOK FOR SAUSAGE MEATS

Sausage production under Federal inspection increased seasonally this spring, with a gain in frankfurters and other smoked or cooked sausage more than offsetting declines in fresh finished sausage and canned items. In the four weeks May 2-30 total production including canned sausage was 187 million pounds, about 6 percent above April and 5 percent over last May. Early in June the weekly rate of output for fresh finished sausage declined slightly but continued to show a considerable gain over a year earlier. Franks, weiners and other smoked or cooked products were down a little from May but were close to last June's rate.

The demand for sausage is given a special boost during the summer by the more frequent use of frankfurters and cold cuts. To meet this demand, sausage output usually is seasonally high at mid-year and holds up well during most of the summer. Such a trend is likely this year. Beef sausage materials will likely continue in relatively short supply although a seasonal pickup is likely in cow and other grass cattle slaughter. April-June cow slaughter this year was down about one-fifth from a year earlier. Slaughter this summer should be nearly equal to, or possibly a little above, last summer.

The seasonal increase in cow slaughter is, however, expected to be only about normal. Its probable climb from below to near last year reflects the relatively lower level of slaughter in the second half of last year than the first.

Imports of processing beef are currently a little below those of a year ago and are expected to continue near present levels in contrast to a sharp July-September rise last year. Much of the gain last summer was of imports of salted boneless beef of the kind now excluded by tighter import restrictions. (See page 13.) Too, the heavy slaughter season will soon be ending in southern hemisphere countries, easing somewhat their need for exporting beef and lamb.

Pork sausage ingredients will be more plentiful this summer than last. Pork output is now near its low point for the year but substantially above last year, and it will increase seasonally beginning around mid-summer when the 1959 spring pigs start to market in volume. During June pork production was 12-15 percent above a year earlier and it will average at least as much above a year ago for the next few months.

Lamb and mutton supplies are not expected to differ greatly from last summer.

Cold storage stocks of meat on June 1 totaled 651 million pounds, half again as large as the relatively low stocks in June 1958. Beef and pork stocks were up about equally. Some net withdrawal from stocks is likely during the light slaughtering season this summer, adding particularly to supplies of beef for processing. A substantial part of pork in storage is sold as fresh cuts.

Table 6.--Cattle and hog slaughter, meat imports and stocks, and sausage production, by quarters 1958 to date and July-September 1959 forecast

Period	Federally inspected slaughter					
	Cattle				Hogs	
	Total		Cows			
	1959	1958	1959	1958	1959	1958
	1,000	1,000	1,000	1,000	1,000	1,000
	head	head	head	head	head	head
Jan.-Mar.	3,994	4,298	928	1,215	17,304	14,801
Apr.-June	<u>1/4</u> ,350	4,357	<u>1/900</u>	1,110	<u>1/15</u> ,470	13,617
July-Sept.	<u>2/4</u> ,650	4,601	<u>2/1</u> ,150	1,111	<u>2/16</u> ,000	14,061
Oct.-Dec.		4,386		1,122		16,983
Year	17,642		4,558		59,462	
	Imports		Meat stocks in		Sausage	
	all meat		cold storage begin-		production	
	<u>3/</u>		ning of quarter <u>4/</u>		<u>5/</u>	
	1959	1958	1959	1958	1959	1958
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Jan.-Mar.	205	143	462	403	546	532
Apr.-June	<u>1/210</u>	205	597	409	<u>1/600</u>	575
July-Sept.	<u>2/215</u>	246		396		576
Oct.-Dec.		232		317		552
Year	826				2,235	

1/ Partly estimated.

2/ Forecast

3/ Total red meat imports, product weight.

4/ Includes beef, veal, pork, lamb, mutton and canned meats in public cold storage.

5/ Federally inspected production of all sausage, including loaf, head cheese, jellied products and the following canned items: Luncheon meat, viennas, franks and weiners in brine, deviled ham, other potted or deviled meat food products, bulk sausage and sausage in oil.

FEDERAL GRADING OF MEAT -- ITS ECONOMIC MEANING

By Harold F. Breimyer

Since 1927 the U. S. Department of Agriculture has provided a service of grading of meat. Beef, veal, and lamb are graded; pork is not. Twice, in World War II and the Korean conflict, grading was made compulsory. At all other times it has been voluntary. It is provided only when asked for. Its cost is borne by the firm requesting it.

Last year 50 percent of all beef produced commercially, 16 percent of veal, and 36 percent of lamb and mutton was federally graded. Of meat sold fresh, a considerably higher percentage is federally graded, as grading is primarily used for meat destined for fresh sale. A very high percentage of Good, Choice and Prime quality beef is federally graded.

The need for sorting of meat in some manner arises because meat is a product in a natural state. As such, like everything in nature, it is heterogeneous. Carcasses come off the killing line in all sizes and shapes and all degrees of fatness. Some show signs of old age in the animal, others are from very young animals. A few carcasses show injury or malformation. Among beef carcasses, some are clearly of beef type, some are dairy, and some suggest mixed breeding.

Uniformity Necessary In Merchandising

Meat cannot be merchandised efficiently in such a motley mixture. It must be sorted into groups or classes. Each class must have within it a substantial degree of uniformity.

Most sorting is by two criteria: Size and quality. Carcasses of beef, veal and lamb, and wholesale cuts of pork, are commonly sold by weight classes. In beef, veal, and lamb, quality has been recognized separately from weight. For pork it has not been customary to recognize quality differences, but interest in doing so has grown as preferences for a lean pork have become more insistent.

Grading is primarily intended as a measure of quality. It affords a yardstick by which those features of a carcass or cut that bear on its acceptability--chiefly its eating quality -- may be indicated.

Merchandising meat by uniform weight and grade standards is not only demanded in modern trade but contributes a great deal to (1) efficiency and low cost in marketing and (2) stronger consumer demand.

Table 7--Quantity of meat graded by the United States Department of Agriculture compared with output, 1937 to date

Year	Beef			Veal and calf			Lamb, yearling and mutton		
	: Graded by USDA:			: Graded by USDA:			: Graded by USDA:		
	Commer- cial produc- tion	Total	:As per- centage of com- mercial produc- tion	Commer- cial produc- tion	Total	:As per- centage of com- mercial produc- tion	Commer- cial produc- tion	Total	:As per- centage of com- mercial produc- tion
	Mil. lb.	Mil. lb.	Pct.	Mil. lb.	Mil. lb.	Pct.	Mil. lb.	Mil. lb.	Pct.
1937.	6,578	408	6.2	1,023	5.0	0.5	826	23.8	2.9
1938	6,685	603	9.0	913	6.2	.7	871	28.0	3.2
1939	6,786	512	7.5	907	5.7	.6	846	24.2	2.9
1940	6,948	578	8.3	896	6.9	.8	852	24.8	2.9
1941	7,858	790	10.1	952	9.7	1.0	899	32.2	3.6
1942	8,592	1,485	17.3	1,066	105.5	9.9	1,018	78.1	7.7
1943 1/	8,306	6,711	80.8	1,078	784.9	72.8	1,080	990.8	91.7
1944 1/	8,801	8,356	94.9	1,629	1,450.8	89.1	1,001	1,066.5	106.5
1945 1/	9,936	9,177	92.4	1,552	1,319.0	85.0	1,030	1,024.3	99.4
1946 1/	9,010	6,850	76.0	1,329	911.7	68.6	946	833.8	88.1
1947	10,096	2,931	29.0	1,493	236.5	15.8	779	208.9	26.8
1948	8,766	2,022	23.1	1,323	133.6	10.1	728	146.6	20.1
1949	9,142	2,280	24.9	1,240	104.2	8.4	587	107.6	18.3
1950	9,248	2,262	24.5	1,137	78.0	6.9	581	110.4	19.0
1951 1/	8,549	6,250	73.1	972	680.0	70.0	508	365.4	71.9
1952 1/	9,337	8,784	94.1	1,080	1,029.7	95.3	635	567.4	89.4
1953	12,055	6,529	54.2	1,451	380.1	26.2	715	245.1	34.3
1954	12,601	5,708	45.3	1,551	337.2	21.7	721	250.1	34.7
1955	13,213	6,050	45.8	1,487	305.6	20.6	744	242.7	32.6
1956	14,090	7,027	49.9	1,541	306.9	19.9	728	233.3	32.0
1957	13,852	6,947	50.2	1,442	263.3	18.3	694	258.8	37.3
1958	12,983	6,456	49.7	1,103	179.0	16.2	674	242.1	35.9

1/ Required grading under price control lifted the quantity graded.

Modern trade is of mass handling in large volume. For example, supermarkets have become the mass food retailers of our day. They handle immense quantities of meat in a highly systematized operation. For this a standardized product that can be bought and sold by verbal or written specification is essential. Without such an aid, trading in meat would have to revert largely to bargaining in connection with personal inspection of each carcass -- a slow and costly technique. Higher cost in merchandising by such an outmoded practice would both reduce returns to livestock producers and increase prices of meat to consumers. Selling graded meat by specification, by contrast, lowers costs and helps producers and consumers.

When a system of grades is carefully designed to fit the varying preferences of consumers, use of that system adds to total demand for meat. It is not necessary that all preferences be alike. If a consumer who prefers Prime beef can obtain Prime, while one who likes Good or Commercial can select for his preference, and a third whose choice is Utility or Commercial for hamburger can obtain that -- when each can get what he wants at any given time each is better satisfied than he would be if he had to buy "beef" indiscriminately. As a result of exercise of choice, total demand for beef is enhanced. Widespread use of Federal grades has been a factor accounting in part for the steady growth in U. S. demand for beef.

Whose Grades and Grading?

Grading is so essential in modern merchandising that if the Federal Government were not to provide it, private sources would. Insofar as skill in grading is concerned, private graders and government graders could be equally competent. But there is a real difference between private and Federal grading: In private grading there would be as many sets of grades as grading firms. In Federal grading there is a single set of grade standards, and as nearly uniform nationwide grading as can be achieved through constant supervision and regional interchange of grading personnel.

A single system of grades allows all handlers of meat -- packers, wholesalers and retailers, large and small, central and local -- equal entry in the market. It sharpens competition and reduces cost. Much of the potential benefit of grading would be lost if there were no standard system but myriad individual systems.

Moreover, a uniform nationwide grading service for meat is helpful to both consumers and producers. Consumers can learn to recognize the several Federal grades for fresh meat much more easily than they could a variety of private brands. Federal grades are an effective basis for transmitting consumers' desires to producers. The Federal grading system has been an educational tool for programs to improve quality in meat animal production.

It should be understood that the question of Federal vs. private grading relates only to fresh meat. For grading is essentially selection. In processed meat, the character of processing or manufacture can be distinctive for each firm, and private brand labels identify the firm's own special product. Federal grades are not used for sale of processed meat at retail.

Grading An Influence In Pricing

When much of a product is graded, as is true for beef, the grading itself becomes a significant factor in the market. It can have an influence on prices. The definitions of grade standards, and the accuracy with which grading is done, become highly important.

Grade standards become a vehicle for differences in price, as one grade normally commands a higher price and another a lower. Consequently, grade standards must be so chosen as truly and accurately to reflect differences in meat that the trade and consumers regard as important. They must be carefully attuned to market desires and preferences. Grades are not themselves a measure of consumer preference but they become the means through which consumer preferences are expressed. Standards must measure as accurately as possible the basic factors which influence the acceptability of meat and hence its value. They must deal with attributes that matter.

It is essential that grade standards be reviewed constantly and revised as necessary, to make certain they conform to the needs of the market. Federal grades are under continuous study; the USDA has a long range program of research and development in grade standards.

Grading usually results in differences in prices between grades. Within each grade, on the other hand, there is some "bunching" of prices. While the extent to which this occurs could easily be exaggerated, there is a tendency for much of the meat of a given grade and weight range to sell at the same general price level. This does not necessarily mean that some meat sells for a lower price than it would if there were no grading. As noted above, Federal grading has almost certainly added to demand for beef. The fact that so much meat has been graded is itself an indication that grading has a price-lifting value. Certainly under a voluntary grading system meat will be graded only when it can be merchandised to better advantage with the Federal grade stamp than without it.

The basic characteristic of the grading process is the dividing of the total range of meat into segments so that the units within a segment or grade are relatively interchangeable one with the other. Therefore, if wide price ranges did exist within a grade this would be one indication that the quality range was too wide for the grade effectively to serve the needs of the industry. The trend has been to increase the number of grades. For instance, a new Good grade of beef was added in 1951, and a Standard in 1956. Each was a split-off of a segment that prior to 1951 was in the Commercial grade.

The nature of the effect of grading on price patterns is the same regardless of whether grading is Federal or private. Any system of grading, Federal or private, will result in a somewhat different pattern of prices than would exist in the absence of any grading.

Another feature of grading has a different impact when done federally than by private graders. This concerns the effect that a grading service has on competitive relationships within the livestock and meat trade.

Federal grading, nationally uniform, is designed to serve the best interests of the entire public - producer, marketer, and consumer. Private grades are designed to serve the interests of the private firm originating them. Hence, Federal grades do not result in the same competitive standing among various kinds of marketing firms as would exist under private grading.

Federal grading has, for instance, proved well suited to supermarket retailing. Although certainly not a major factor, it has aided the growth in number and importance of both independent and chain supermarkets. It has facilitated not only their mass buying, but their use of self-service counter display.

Federal grading is more of a help to smaller packers than to large ones. Large packers have the resources to advertise and establish their private brands for fresh meat, and to merchandise on the basis of their brands. Smaller packers would not have the resources to do so effectively. It thus is not surprising that national packers, when interviewed in a USDA survey carried out by the Babson Institute, consistently voiced their opposition to Federal grading.

But in a competitive economy conflict of interest is normal, and a judgment on the role of Federal grading can hardly be based on a taking of sides in packer-vs-chain store, or large packer-vs-small packer controversies. Rather, Federal grading is justified only insofar as it contributes more than any other system to orderly and efficient marketing, and to building up demand. While the specific design of Federal grade standards must always be subject to review and change, the grading service itself seems clearly to have more plus values than minus, and to be in the interest of the livestock producer and the nation.

RETAIL PRICE AND VALUE FOR ALL BEEF 1/

For many years three sets of retail price data for beef have been published. The first is the price of selected retail cuts in major cities, collected by the Bureau of Labor Statistics of the U. S. Department of Labor. The second is a composite average price for all cuts, computed by the U. S. Department of Agriculture from the BLS prices by cuts. The third is a series of prices paid by farmers for selected cuts, collected by the U. S. Department of Agriculture.

The BLS series relates to prices of generally higher quality beef, specifically to the U. S. Choice grade or its equivalent. The exception is the price of hamburger, which is ungraded. The composite average computed by USDA from BLS data is regularly called the "average retail price of Choice beef."

Most statistical analyses of retail price have been applied to the prices of the Choice grade as obtained from BLS data by cuts or the USDA composite average. Choice prices were also the basis of computations of an estimated "retail value of beef consumed per person."

The USDA prices paid by farmers are more nearly an all-grade average. Incorporating those prices into a national series has awaited preparation of estimates of the quantity of beef retailed at those prices. It is hoped that this further refinement will be possible in the near future.

While it was known that prices of Choice grade beef overstated the price of all grades, the Choice prices were used for two reasons. First, the Choice grade makes up a large part of all beef sold fresh. Second, although lower grades of beef are priced lower per pound than Choice at wholesale, the differential between lower grades and Choice is more narrow at retail. This is true because much of the lower grade beef is sold after processing, which adds to the cost and to selling price. Moreover, no satisfactory U. S. average retail price series for all grades has been published.

Prices of Choice grade are less acceptable for many statistical purposes than a price for all grades would be. For this reason a new series of estimated prices for all grades of beef at retail has been developed. It is presented for the first time in table 3.

1/ Prepared by Statistical and Historical Research Branch in cooperation with Marketing Organization and Costs Branch.

Table 8.--Estimated average retail price for all grades of beef, 1921 to date

Year	Price, per pound <u>1/</u>	Year	Price, per pound <u>1/</u>
	<u>Cents</u>		<u>Cents</u>
1921	27.7	1940	26.8
1922	25.6	1941	29.5
1923	25.6	1942	32.5
1924	25.4	1943	33.8
1925	26.0	1944	29.1
1926	28.8	1945	30.3
1927	29.5	1946	38.3
1928	33.2	1947	54.8
1929	35.7	1948	67.7
1930	32.4	1949	62.0
1931	26.8	1950	69.3
1932	22.1	1951	81.8
1933	19.7	1952	76.5
1934	20.4	1953	60.5
1935	25.0	1954	58.5
1936	25.6	1955	58.9
1937	27.0	1956	57.8
1938	26.8	1957	63.5
1939	27.3	1958	75.0

1/ Price per pound, retail-equivalent weight.

It was necessary to estimate prices of all grades as a derivation from available source data. Of several possible methods, the one used here is based on a judgment that prices of meat at retail differ by grade in a measurable relationship with prices of live cattle by grade. The judgment is partially confirmed by available checks. Inasmuch as data on average prices paid by slaughterers operating under Federal inspection are available for all years beginning 1921, establishing a live animal-retail beef price relationship makes it possible to derive readily a retail beef price series extending back to that year.

Techniques used are similar to those in USDA Miscellaneous Publication 710, "Beef Marketing Margins and Costs." Price spreads were estimated separately for live-animal-to-wholesale, and wholesale-to-retail, for all years since 1921, according to the procedure used in the bulletin for 1949-55.

It has generally been assumed that marketing margins are about as wide for lower grade beef as for Choice beef, in cents per pound. Even though many retailers habitually price their product according to a uniform percentage markup, this tendency is offset, at least in part, by the extra processing given much lower grade beef. A careful yet highly approximate analysis of prices paid for processed beef as reported by the Household Consumer Purchases Survey of 1955 suggests that wholesale-to-retail margins on lower grades may have been around 5 percent wider than those on Choice. Price data from the 1948 Food Consumption Survey did not reveal a similar difference.

Accordingly, the wholesale-retail margin for the lower grades was considered to be the margin for Choice grade plus 5 percent for postwar years, and the Choice margin, unadjusted, for all earlier years.

The live-animal-to-wholesale-beef margin for all grades was assumed to be the same as for the Choice grade, per live hundredweight of cattle. Slaughter costs are as high for an animal that dresses 45 percent as for one that dresses 60 percent. Margins for the Choice grade therefore were adjusted for the actual dressing percentage for all cattle each year compared with the estimated yield for Choice.

A degree of verification of the accuracy of the second step in these calculations -- the assumed constancy between grades for the live-animal-wholesale-beef margins per live hundredweight -- was provided by a computation for postwar years built on carcass beef prices at wholesale. Average wholesale prices of each grade of beef were compiled at Chicago for those years. These were weighted according to estimated U. S. production of each grade of beef. The difference between U. S. average prices of Choice grade and Chicago prices of that grade became the basis for converting the Chicago price of all grades to a U. S. price of all grades. The latter, in turn, was a base for estimating a U. S. average retail price for all grades, through use of the same assumptions as to wholesale-retail margins as were described above. The procedure thus becomes a check, for postwar years, on the live-to-wholesale portion of the procedure followed for all years. The retail price series so derived was almost identical with that estimated by the procedure adopted for all years. The widest difference between the two was only 1/2 cent per pound.

Average retail prices for all grades given in table 8 are consistently lower than those for Choice grade. However, there is no trend in the relationship. Even though demand for Choice grade beef has increased relative to that for all beef, the supply has risen enough to hold retail price ratios nearly steady.

Price comparisons at wholesale tend to substantiate the retail price data estimated here and the observation made based on them. When prices of Commercial cow beef carcasses were compared with prices of Choice steer beef, a long run decline was found. On the other hand, the ratio between Utility

steer and Choice steer prices at wholesale has increased. On balance, it would be hard to find a clear trend in the relationship between overall average prices of lower grade beef and prices of Choice grade.

Retail Prices Apply to Retail-Equivalent Weight

Retail prices for all grades of beef were estimated in terms of retail-equivalent weights -- the weight of cuts as normally sold fresh at retail. In reality, much beef of the lower grades is sold processed. As such, the weight may be less than the normal retail weight, as in canned beef; or it may be greater if combined with other foods, as is done in preparing corned beef hash. Although the extra value added by processing is included in the price estimates, the weight base for the data is the equivalent normal weight in fresh sale. That is, the weight of the beef in a processed product is considered to be the weight of that beef in the form of a fresh cut at retail.

Average retail weight yields of fresh cuts per 100 pounds of wholesale carcass, by grades, were provided by the Standardization Branch of AMS. From these, estimated average yields for all grades were derived. Yields so determined were 82.5 percent from 1921 to 1928, 82 percent from 1949 to date, and percentages interpolated between 82.5 and 82.0 percent from 1929 to 1948.

Retail Value of Beef and All Meat Consumed

From retail prices of all grades of beef it is possible to compute a retail value of all beef consumed per person. Data, revisions of previous estimates, are presented in table 9.

Included in the table are retail value data for pork and for all meat. Data for pork also are revised, incorporating revisions in the series for the average retail price of pork made a year ago.

Retail value data in table 9, as those published previously, are the computed value at retail of all meat eaten by civilian consumers. It is not a measure of expenditures for meat. Much meat does not go through retail channels. Some is consumed at prices less than the retail price, and some at prices higher than retail. Nor are retail value data a clear indicator of the strength of demand for meat. Nevertheless, retail value data have value in analysis; and in the short run, changes in retail values doubtless reflect accurately the changes taking place in expenditures.

Table 9.—Estimated retail value of meat consumed per person compared with disposable personal income per person, by major meats, 1921 to date

Year	Consumption per person ^{1/}			Average retail price per pound			Retail value of meat consumed per person ^{4/}			Disposable personal income per person ^{5/}			Retail value of meat as percent—age of disposable income		
	Beef	Pork	All meat ^{2/}	All beef	Pork, retail cuts	All meat ^{2/ 3/}	All beef	All pork	All meat ^{2/}				Beef	Pork	All meat ^{2/}
	Lb.	Lb.	Lb.	Ct.	Ct.	Ct.	Dol.	Dol.	Dol.	Dol.	Dol.	Pct.	Pct.	Pct.	
1921	55.5	64.8	134.0	27.7	31.6	29.4	12.10	18.40	34.20	508		2.4	3.6	6.7	
1922	59.1	65.7	137.7	25.6	30.0	27.6	12.00	17.50	32.90	541		2.2	3.2	6.1	
1923	59.6	74.2	147.3	25.6	28.3	27.0	12.10	19.00	34.70	616		2.0	3.1	5.6	
1924	59.5	74.0	147.3	25.4	28.4	27.1	11.90	19.00	34.70	610		2.0	3.1	5.7	
1925	59.5	66.8	140.1	26.0	34.8	30.3	12.20	20.70	36.80	636		1.9	3.3	5.8	
1926	60.3	64.1	138.0	28.8	37.3	32.5	13.70	21.20	38.80	651		2.1	3.3	6.0	
1927	54.5	67.7	134.9	29.5	34.9	32.1	12.70	21.20	37.70	645		2.0	3.3	5.8	
1928	48.7	70.9	131.6	33.2	32.9	32.6	12.80	20.90	37.60	653		2.0	3.2	5.8	
1929	49.7	69.6	131.2	35.7	33.7	34.0	14.00	20.90	39.00	682		2.1	3.1	5.7	
1930	48.9	67.0	129.0	32.4	32.4	31.9	12.50	19.40	35.90	604		2.1	3.2	5.9	
1931	48.6	68.4	130.7	26.8	26.6	26.4	10.30	16.50	30.20	515		2.0	3.2	5.9	
1932	46.7	70.7	131.1	22.1	17.6	19.3	8.20	11.30	22.20	390		2.1	2.9	5.7	
1933 ^{6/}	51.5	69.6	135.0	19.7	15.6	17.2	8.00	9.80	20.30	364		2.2	2.7	5.6	
1934 ^{6/}	55.9	63.1	133.7	20.4	21.0	20.7	9.00	12.10	24.10	411		2.2	2.9	5.9	
1935 ^{6/}	52.9	48.4	116.2	25.0	30.2	27.0	10.40	13.00	27.00	459		2.3	2.8	5.9	
1936 ^{6/}	58.1	55.1	128.2	25.6	29.8	27.2	11.80	14.60	30.10	517		2.3	2.8	5.8	
1937	55.2	55.8	126.2	27.0	30.6	28.3	11.80	15.20	30.90	551		2.1	2.7	5.6	
1938	54.4	58.2	127.1	26.8	27.3	26.5	11.50	14.10	29.20	506		2.3	2.8	5.8	
1939	54.7	64.7	133.6	27.3	24.7	25.5	11.80	14.30	29.70	538		2.2	2.7	5.5	
1940	54.9	73.5	142.4	26.8	21.6	23.6	11.60	14.20	29.40	576		2.0	2.5	5.1	
1941	60.9	68.4	143.7	29.5	27.2	27.6	14.20	16.40	34.40	697		2.0	2.3	4.9	
1942 ^{7/}	61.2	63.7	140.3	32.5	32.9	31.9	15.70	18.30	38.70	871		1.8	2.1	4.4	
1943 ^{7/}	53.3	78.9	146.8	33.8	33.9	32.8	14.20	23.30	42.20	977		1.5	2.4	4.3	
1944 ^{7/}	55.6	79.5	154.2	29.1	31.9	30.1	12.80	22.00	40.60	1,060		1.2	2.1	3.8	
1945 ^{7/}	59.4	66.6	145.2	30.3	32.1	30.8	14.20	18.80	38.80	1,075		1.3	1.7	3.6	
1946 ^{7/}	61.6	75.8	154.1	38.3	41.3	39.1	18.60	27.60	52.50	1,136		1.6	2.4	4.6	
1947	69.6	69.6	155.3	54.8	60.7	55.6	30.10	36.70	74.60	1,181		2.6	3.1	6.3	
1948	63.1	67.8	145.5	67.7	61.7	62.5	33.70	36.50	78.70	1,291		2.6	2.8	6.1	
1949	63.9	67.7	144.6	62.0	55.8	57.3	31.30	32.90	71.80	1,271		2.5	2.6	5.6	
1950	63.4	69.2	144.6	69.3	55.1	60.1	34.70	33.20	75.40	1,369		2.5	2.4	5.5	
1951	56.1	71.9	138.0	81.8	59.2	67.0	36.20	37.20	80.50	1,473		2.5	2.5	5.5	
1952	62.2	72.4	146.0	76.5	57.5	64.7	37.60	36.30	82.00	1,520		2.5	2.4	5.4	
1953	77.6	63.5	155.3	60.5	63.5	60.7	37.10	35.50	80.80	1,582		2.3	2.2	5.1	
1954	80.1	60.0	154.7	58.5	64.8	60.2	37.00	34.20	79.60	1,582		2.3	2.2	5.0	
1955	82.0	66.8	162.8	58.9	54.8	56.3	38.20	32.50	78.60	1,660		2.3	2.0	4.7	
1956	85.4	67.4	166.7	57.8	52.1	54.7	39.00	31.40	78.10	1,727		2.3	1.8	4.5	
1957	84.6	61.5	159.1	63.5	60.2	61.3	42.40	33.10	83.20	1,782		2.4	1.9	4.7	
1958	80.5	60.7	152.1	75.0	64.8	70.7	47.70	35.00	90.10	1,790		2.7	2.0	5.0	

^{1/} Carcass weight equivalent of consumption by each civilian consumer.^{2/} Beef, veal, lamb and mutton and pork.^{3/} Price weighted by consumption of each meat in each year.^{4/} Computed from retail weights of consumption and retail prices of all beef, veal, lamb and mutton and all pork (including minor pork products).^{5/} Computed from data of U. S. Department of Commerce, 1929 to date. Estimated 1921-28 by Agricultural Marketing Service.^{6/} Excludes consumption from Government emergency programs.^{7/} Relationships in war years are greatly affected by price controls and other circumstances. Data included in order to provide a continuous series.

Selected price statistics for meat animals and meat

Item	Unit	1958		1959		
		May	June	April	May	June
Cattle and calves						
Beef steers, slaughter	Dollars per					
Chicago, Prime	100 pounds	32.07	30.40	34.62	32.22	
Choice	do.	28.83	28.07	30.33	29.34	
Good	do.	26.81	26.49	28.11	27.87	
Standard	do.	24.74	24.36	25.86	25.66	
Commercial	do.	---	---	25.25	---	
Utility	do.	23.00	22.77	23.90	23.77	
All grades	do.	28.27	27.67	29.32	28.82	
Omaha, all grades	do.	26.65	25.95	27.60	27.28	
Sioux City, all grades	do.	26.77	26.25	27.75	27.59	
Cows, Chicago						
Commercial	do.	21.59	21.18	21.06	21.38	21.54
Utility	do.	19.82	19.94	19.97	19.78	20.08
Canner and Cutter	do.	17.39	17.88	18.18	17.90	18.45
Vealers, Choice, Chicago	do.	33.90	31.12	---	---	---
Stocker and feeder steers, Kansas City <u>1/</u>	do.	27.16	25.38	28.63	28.69	
Price received by farmers						
Beef cattle	do.	23.10	22.40	24.10	24.30	23.60
Calves	do.	25.60	24.70	29.00	29.10	28.50
Hogs						
Barrows and gilts						
Chicago						
160-180 pounds	do.	21.75	22.31	---	---	---
180-200 pounds	do.	22.96	23.44	16.35	16.64	16.60
200-220 pounds	do.	23.05	23.68	16.73	16.94	16.88
220-240 pounds	do.	22.87	23.52	16.55	16.65	16.64
240-270 pounds	do.	22.30	22.91	16.22	16.12	16.13
270-300 pounds	do.	21.66	22.32	---	---	---
All weights	do.	22.30	23.06	16.28	16.32	
8 markets <u>2/</u>	do.	22.03	22.97	16.09	16.09	
Sows, Chicago	do.	18.78	19.40	13.39	12.89	
Price received by farmers	do.	21.10	21.60	15.60	15.50	15.00
Hog-corn price ratio <u>3/</u>						
Chicago, barrows and gilts						
Price received by farmers, all hogs		17.0	17.1	12.7	12.7	
		18.3	18.2	13.8	13.5	12.9
Sheep and lambs	Dollars per					
Sheep	100 pounds					
Slaughter ewes, Good and Choice, Chicago	do.	4/8.14	4/7.37	7.60	4/7.05	4/5.85
Price received by farmers	do.	7.49	7.01	7.05	6.56	5.94
Lambs						
Slaughter, Choice, Chicago	do.	4/21.27	25.04	21.59	4/22.79	26.30
Feeder, Good and Choice, Omaha	do.	---	---	19.88	21.32	20.62
Price received by farmers	do.	20.50	21.20	19.10	20.60	21.20
All meat animals						
Index number price received by farmers (1910-14=100)		352	348	336	338	329
Meat						
Wholesale, Chicago	Dollars per					
Steer beef carcass, Choice, 500-600 pounds	100 pounds	46.56	45.59	47.16	46.66	45.98
Lamb carcass, Choice, 45-55 pounds	do.	45.12	45.92	44.75	46.50	51.65
Composite hog products:						
Including lard						
71.90 pounds fresh	Dollars	24.21	24.89	18.44	18.42	
Average per 100 pounds	do.	33.67	34.62	25.65	25.62	
71.01 pounds fresh and cured	do.	28.18	28.90	21.85	21.95	
Average per 100 pounds	do.	39.68	40.70	30.77	30.91	
Excluding lard						
55.99 pounds fresh and cured	do.	25.72	26.43	19.80	19.96	
Average per 100 pounds	do.	45.94	47.20	35.36	35.65	
Retail, United States average	Cents					
Beef, Choice grade	per pound	82.5	83.0	83.3	83.7	
Pork, excluding lard	do.	65.6	67.9	58.0	58.1	
Index number meat prices (BLS)						
Wholesale (1947-49=100)		114.4	115.8	101.8	102.8	
Retail (1947-49=100) <u>5/</u>		122.0	124.2	117.3	117.7	

1/ Average all weights and grades.2/ Chicago, St. Louis M. S. Y., Kansas City, Omaha, Sioux City, S. St. Joseph, S. St. Paul, and Indianapolis.3/ Number bushels of corn equivalent in value to 100 pounds of live hogs.4/ Shorn.5/ Includes beef and veal, pork, leg of lamb and other meats.

Selected marketing, slaughter and stocks statistics for meat animals and meat

Item	Unit	1958		1959		
		May	June	April	May	June
Meat animal marketings						
Index number (1947-49=100)		112	110	122	113	
Stocker and feeder shipments to						
9 Corn Belt States	1,000					
Cattle and calves	head	277	267	477	349	
Sheep and lambs	do.	144	138	156	192	
Slaughter under Federal inspection						
Number slaughtered						
Cattle	do.	1,468	1,506	1,433	1,412	
Steers	do.	831	857	816	815	
Heifers	do.	236	241	305	287	
Cows	do.	374	382	291	288	
Bulls and stags	do.	26	26	21	23	
Calves	do.	438	430	406	358	
Sheep and lambs	do.	1,122	1,042	1,101	1,017	
Hogs	do.	4,444	4,209	5,652	4,970	
Percentage sows	Percent	11	17	8	11	
Average live weight per head						
Cattle	Pounds	1,006	997	1,049	1,047	
Calves	do.	222	229	201	219	
Sheep and lambs	do.	99	94	103	98	
Hogs	do.	246	251	241	247	
Average production						
Beef, per head	do.	568	564	606	606	
Veal, per head	do.	124	128	114	126	
Lamb and mutton, per head	do.	49	46	50	49	
Pork, per head	do.	140	144	139	141	
Pork, per 100 pounds live weight	do.	57	57	57	57	
Lard, per head	do.	36	35	34	36	
Lard, per 100 pounds live weight	do.	14	14	14	15	
Total production	Million					
Beef	pounds	831	847	866	853	
Veal	do.	54	55	46	45	
Lamb and mutton	do.	55	47	55	48	
Pork	do.	619	605	782	698	
Lard	do.	158	148	194	179	
Commercial slaughter 1/						
Number slaughtered	1,000					
Cattle	head	1,952	1,987	1,893	1,841	
Calves	do.	715	701	642	556	
Sheep and lambs	do.	1,269	1,200	1,262	1,167	
Hogs	do.	5,300	5,011	6,696	5,899	
Total production	Million					
Beef	pounds	1,062	1,078	1,100	1,071	
Veal	do.	90	91	74	72	
Lamb and mutton	do.	62	55	62	55	
Pork	do.	734	710	920	823	
Lard	do.	178	167	218	201	
Cold storage stocks first of month						
Beef	do.	103	100	171	171	172
Veal	do.	9	7	14	13	11
Lamb and mutton	do.	7	10	11	13	16
Pork	do.	260	243	337	381	372
Total meat and meat products 2/	do.	444	422	602	660	651

^{1/} Federally inspected, and other wholesale and retail.^{2/} Includes stocks of canned meats in cooler in addition to the four meats listed.

Supply and distribution of meat, by months, 1959

Period	Commercially produced								Total 2/		
	Supply			Distribution					Civilian consumption		
	Production	Beginning stocks	Imports	Exports and shipments	Ending stocks	Military	Civilian consumption		Production	Total	Per person
							Total	Per person 1/			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Lb.	Mil. lb.	Mil. lb.	Lb.
Beef:											
January	1,127	174	79	4	174	27	1,175	6.8	---	---	---
February	946	174	69	3	173	24	989	5.7	---	---	---
March	1,030	173	61	4	171	34	1,055	6.1	---	---	---
1st quarter	3,103	174	209	11	171	85	3,219	18.6	---	---	3/19
April	1,100	171	90	4	171	32	1,154	6.6	---	---	---
May	1,071	171		4	172	32			---	---	---
June		172							---	---	---
2nd quarter		171							---	---	---
Veal:											
January	77	16	1	4/	16	3	75	.4	---	---	---
February	69	16	1	4/	14	2	70	.4	---	---	---
March	74	14	1	4/	14	3	72	.4	---	---	---
1st quarter	220	16	3	4/	14	8	217	1.3	---	---	3/1.4
April	74	14	2	4/	13	3	74	.4	---	---	---
May	72	13		4/	11	5			---	---	---
June		11							---	---	---
2nd quarter		14							---	---	---
Lamb and mutton:											
January	75	9	5	4/	10	4/	79	.5	---	---	---
February	62	10	3	4/	11	1	63	.4	---	---	---
March	65	11	2	4/	11	4/	66	.4	---	---	---
1st quarter	202	9	10	1	11	1	208	1.2	---	---	3/ 1.2
April	62	11	10	4/	13	4/	70	.4	---	---	---
May	55	13		4/	16	4/			---	---	---
June		16							---	---	---
2nd quarter		11							---	---	---
Pork:											
January	965	206	19	12	240	14	924	5.3	---	---	---
February	907	240	14	13	316	14	818	4.7	---	---	---
March	918	316	18	10	337	18	887	5.1	---	---	---
1st quarter	2,790	206	51	35	337	46	2,629	15.2	---	---	3/17
April	920	337	20	10	381	19	867	5.0	---	---	---
May	823	381		11	372	17			---	---	---
June		372							---	---	---
2nd quarter		337							---	---	---
All meat:											
January	2,244	405	104	16	440	44	2,253	13.0	---	---	---
February	1,984	440	87	16	514	41	1,940	11.2	---	---	---
March	2,087	514	82	15	533	55	2,080	12.0	---	---	---
1st quarter	6,315	405	273	47	533	140	6,273	36.2	---	---	3/38.5
April	2,156	533	122	14	578	54	2,165	12.5	---	---	---
May	2,021	578		15	571	54			---	---	---
June		571							---	---	---
2nd quarter		533							---	---	---

1/ Derived from estimates by months of population eating out of civilian food supplies, unadjusted for underenumeration.

2/ Includes production and consumption from farm slaughter.

3/ Estimated.

4/ Less than 500,000 pounds.

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